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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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**SB 556**  
**Insurance - Product and Service Offerings**

Chairman Kelley and Members of the Finance Committee;

**Anti-rebating laws, however originally well intended, were introduced more than 100 years ago.** These laws address concerns related to the giving or offering by the insurance producer, of any rebate or other valuable consideration to the prospective insured as an inducement to purchase insurance or any renewal of coverage.

As a general matter, an insurer or insurance producer may not provide or offer to provide an insured or potential insured with any special benefit or discount, including any rebate from the premium, or any service or other incentive in conjunction with the sale of insurance, that is not specified in the policy or contract for insurance.

With Senate Bill 556 insurers are seeking to provide more value-added services to their customers in the form of technology and services to reduce risk and provide additional benefits to their policyholders with clarifying language that these benefits are permitted.

The innovative programs/services often leverage the use of IoT (internet of things) connected devices, e.g. monitors, sensors, communication, telematics, biometric wearables to assist policyholders to mitigate risk, and in the process prevent deaths, injuries and financial loss. It is therefore critically important that we find a way forward so as not to lose this historic opportunity to better serve the public by mitigating risk and preventing loss. Examples of such devices are sprinkler detection devices, doorbell ring devices, and telematic devices for commercial auto accounts. Value-added services for life insurers include grief counseling or bereavement resources for beneficiaries of life insurance policies. For health insurers, they could add additional wellness programs for beneficiaries.

I respectfully request a favorable report on SB556.